



# Department of Justice

FOR IMMEDIATE RELEASE  
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**SOUTHERN NATIONAL AND UNITED CAROLINA BANCSHARES AGREE TO SELL 20  
NORTH CAROLINA BANK BRANCHES TO GAIN JUSTICE DEPARTMENT APPROVAL  
OF THEIR MERGER**

**Divestitures will Preserve Competition for Loans and other  
Banking Services in North Carolina**

WASHINGTON, D.C. -- The Department of Justice's Antitrust Division reached an agreement today with Southern National Corp. and United Carolina Bancshares that will allow their proposed merger to go forward, so long as they sell 20 branch offices with total deposits of about \$488 million.

Southern National of Winston-Salem, North Carolina and United Carolina of Whiteville, North Carolina, agreed with the Antitrust Division to divest 15 United Carolina branch offices and five Southern National branch offices. The offices are located in 10 different geographic areas of North Carolina, and will be divested to resolve the Division's concerns that the merger would have lessened competition for banking services in the following Federal Reserve Board North Carolina markets: Monroe, Columbus County, Duplin County, Goldsboro, Hoke County, Martin County, Monroe, Richmond County, Robeson County, Sampson County and Washington County.

"For consumers and small businesses seeking the most competitive loan rates, this is good news. Without divestiture,

this merger could have stifled competition among North Carolina lenders," said Joel I. Klein, Acting Assistant Attorney General in charge of the Department's Antitrust Division. "These divestitures allow Southern National to become a more efficient statewide bank while preserving competition for loans and other banking services."

The banks also agreed that for one year, they would not take steps to preclude other financial institutions from leasing or purchasing any bank branches that they may close due to consolidation resulting from this merger.

The Department said it will advise the Federal Reserve Board that, subject to divestiture of the branch offices and associated loans and deposits, the Division will not challenge the merger. Subject to regulatory approvals, the 20 branches and associated loans and deposits that Southern National will divest will be sold to a competitively suitable buyer. The proposed merger of Southern National and United Carolina must still be approved by the Board of Governors of the Federal Reserve System.

Southern National is based in Winston-Salem and has 425 offices with about \$15 billion in deposits and \$21.2 billion in total assets.

- 3 -

United Carolina is based in Whiteville and has 153 offices with about \$4 billion in total deposits and \$4.5 billion in total assets.

A list of the branches to be sold is attached.

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